
HOUSE BILL No. 1156

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-39-5; IC 20-40.

Synopsis: Transfer of money between funds. Allows money to be transferred between the funds maintained by a school corporation. Repeals various provisions authorizing transfers of money from certain funds only to specific funds or under specific circumstances.

Effective: July 1, 2007.

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January 11, 2007, read first time and referred to Committee on Education.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1156

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-39-5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]:

4 **Chapter 5. Transfer of Money Between Funds**

5 **Sec. 1. This chapter does not apply to the funds and accounts**
6 **described in the following statutes:**

7 (1) IC 20-41 (extracurricular funds and accounts).

8 (2) IC 20-42 (fiduciary funds and accounts).

9 **Sec. 2. As used in this chapter, "personal services" includes**
10 **payments for salaries and wages to employees (either regular or**
11 **temporary) of a school corporation, payments for compensation**
12 **awards, and the employer's share of Social Security and Medicare**
13 **taxes, health insurance, life insurance, dental insurance, vision**
14 **insurance, deferred compensation, leave conversion, and disability**
15 **and retirement fund contributions.**

16 **Sec. 3. Except as otherwise provided in this chapter, the**
17 **governing body of a school corporation may by resolution transfer**

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1 money between the funds maintained by the school corporation.

2 **Sec. 4. A school corporation may use money transferred under**
 3 **this chapter for any purpose of the fund to which the money is**
 4 **transferred.**

5 **Sec. 5. (a) A transfer may not be made under this chapter if the**
 6 **transfer would:**

7 (1) adversely affect the repayment of any outstanding
 8 obligation;

9 (2) breach any agreement with the holders of any outstanding
 10 obligation concerning the use of money in a fund or the
 11 amount of reserves that must be maintained by the school
 12 corporation;

13 (3) use money that was received:

14 (A) from a private donor or the federal government; and

15 (B) on condition that it be used for a specific purpose;

16 for any purpose other than the purpose for which it was
 17 received;

18 (4) result in the failure to provide specific services that the
 19 school corporation agreed to provide as a condition of
 20 receiving money from any source;

21 (5) result in an increase in any tax imposed by the school
 22 corporation to meet the obligations payable from the fund
 23 from which money is transferred; or

24 (6) be used to directly or indirectly:

25 (A) pay for; or

26 (B) restore a balance in a fund or otherwise replace money
 27 used to directly or indirectly pay for;

28 personal services or loans or other indebtedness incurred to
 29 pay for personal services.

30 (b) A governing body may not make a transfer of money under
 31 this chapter from a self-insurance fund established under
 32 IC 20-40-12-4 without the prior approval of the commissioner of
 33 the department of insurance.

34 **Sec. 6. A transfer under this chapter may not be considered for**
 35 **purposes of computing the school corporation's maximum**
 36 **permissible tax levy for the fund to which the transfer is made or**
 37 **tuition support distributions to be paid to the school corporation.**

38 SECTION 2. IC 20-40-8-7, AS ADDED BY P.L.2-2006, SECTION
 39 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2007]: Sec. 7. Interest on money in the fund, including the fund's pro
 41 rata share of interest earned on the investment of total money on
 42 deposit, shall be deposited in the fund. ~~However, the governing body~~

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1 may adopt a resolution to transfer any interest earned on money in the
2 fund to the school corporation's general fund.

3 SECTION 3. IC 20-40-9-7, AS ADDED BY P.L.2-2006, SECTION
4 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2007]: Sec. 7. ~~(a)~~ Money in the fund may be used for payment of all
6 unreimbursed costs of textbooks for the school corporation's students
7 who were eligible for free or reduced lunches in the previous school
8 year.

9 (b) The governing body may transfer the amount levied to cover
10 unreimbursed costs of textbooks under this section to the textbook
11 rental fund or extracurricular account.

12 SECTION 4. IC 20-40-11-4, AS ADDED BY P.L.2-2006,
13 SECTION 163, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2007]: Sec. 4. The fund consists of:

15 (1) any balance in the fund at the beginning of the year; and

16 (2) any transfers into the fund from the capital projects another
17 fund. ~~or the general fund.~~

18 SECTION 5. IC 20-40-11-5, AS ADDED BY P.L.2-2006,
19 SECTION 163, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2007]: Sec. 5. A transfer to the fund from the
21 general another fund or capital projects fund may be made without
22 appropriation.

23 SECTION 6. IC 20-40-15-2, AS ADDED BY P.L.2-2006,
24 SECTION 163, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Each school corporation shall
26 establish a school technology fund.

27 (b) The fund consists of the following:

28 (1) Money transferred to the fund under IC 20-40-14-1 or section
29 3 or 4 of this chapter. from another fund.

30 (2) Other money, as designated by the department.

31 (c) Property taxes levied by a school corporation for a capital
32 projects fund may not be transferred to the fund.

33 SECTION 7. THE FOLLOWING ARE REPEALED [EFFECTIVE
34 JULY 1, 2007]: IC 20-40-8-20; IC 20-40-12-6.

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